

# INFORMATION LETTER

Not for  
Publication

NATIONAL CANNERS ASSOCIATION

For Members  
Only

No. 1057

Washington, D. C.

October 6, 1945

## Ruling on V-Box Flats

The Office of the Quartermaster General has now decided that there will be no further storage of V-2 boxes in the flat, according to a letter received by the Association October 5 from Col. L. C. Webster. Therefore, instead of purchasing surplus V-boxes in the flat for this purpose, all central procuring depots are being instructed to proceed with terminations on outstanding letters of commitment covering V-boxes, both flat or filled.

Adjustments in price between the cost of V-boxes and commercial cases will be made in the flat along the identical procedure previously announced for the filled cases, the letter stated.

Sugar relief for industrial users is made possible by the disclosure that 1,600,000 tons of sugar have been found abandoned by the Japanese in Javanese ports. Secretary Anderson believes the Dutch will make this supply available to the world sugar pool and that loading of the American share (approximately 700,000 tons) may start in two weeks. (See story on page 8794.)

Sauerkraut ceilings on both canned and bulk product will be removed shortly, according to a joint OPA and USDA announcement. Details are presented on page 8800.

Pro-coating of cans for overseas armed forces will be discontinued as soon as supplies of paints and other material now held by canners or on contract can be used up, states the War Department. Full particulars are given on page 8795.

Wage and Hour Administrator Walling favors elimination of the current canner exemptions from overtime provisions of the Fair Labor Standards Act and advocates raising of the minimum wage, in his appearance before the Senate Subcommittee on Education and Labor. His testimony detailed on page 8796 advocates enactment in full of S. 1349.

## Subsidy Contracts Are Ready

Officials of the Fruit and Vegetable Branch, USDA Production and Marketing Administration, have advised the Association that the 1945 Canned Vegetable Subsidy Agreement forms for filing proof of certification (CCC-360-6), and instructions and procedure for executing and filing all documents pertaining to the subsidy program, will be mailed from their Washington, D. C. offices early next week to all canners of snap beans, sweet corn, green peas, tomatoes, tomato products and green pea soup.

Canners who desire to participate in the 1945 canned vegetable subsidy program will be required to mail to the regional office of the Fruit and Vegetable Branch, Production and Marketing Administration, of the region in which canner's business address is located, three executed copies of the agreement, together with a listing of all plants and all designated canned foods produced at each plant. Canners also will be required to execute four copies of Form CCC-360-6 for each State in which he produces designated canned foods, and submit them to the respective State Agricultural Conservation Committee of the State in which his plants are located. After execution of Form CCC-360-6 by the respective State Committee, they will be mailed to the respective regional office of the Fruit and Vegetable Branch, Production and Marketing Administration.

On receipt of the correctly executed copies of the agreement, plant and designated canned food listing, and proof of certification (Form CCC-360-6) by the regional office of the Fruit and Vegetable Branch, they will execute the agreement and return a copy to canner, together with a supply of the appropriate forms on which to file applications for subsidy.

Forms for filing subsidy applications are being distributed only after canner has been found eligible and the agreement has been executed by Commodity Credit Corporation.

If a canner of any of the designated canned foods fails to receive copies of the agreement within a reasonable time, he may obtain them from the Production and Marketing Administration, Fruit and Vegetable Branch, Washington 25, D. C., or the following field representatives of the Fruit and Vegetable Branch, Production and Marketing Administration: K. W. Schaible, 150 Broadway, New York 7; M. W. Baker, Room 912, U. S. Customs House, 610 South Canal Street, Chicago; R. M. Walker, 519 Pacific Building, 821 Market Street, San Francisco 3; W. D. Lurry, 425 Wilson Bldg., Dallas; and D. K. Young, Room 210 Rhodes Bldg., Marietta Street, Atlanta. (See analysis 1945 subsidy contract, page 8794.)

### 1945 CANNED VEGETABLE SUBSIDY CONTRACT IS ISSUED

Subsidy payments on a finished product basis are provided by the Commodity Credit Corporation 1945 vegetable subsidy contract being mailed to canners early next week. Payments will be made at the previously announced rates for eligible sales of the same canned vegetables covered by last year's contract. These vegetable items are canned peas, corn, snap beans, tomatoes, tomato juice, tomato products, tomato soup and pea soup. (See INFORMATION LETTERS for June 30, July 7, August 4, and September 15, pages 8675, 8685, 8719, and 8769 respectively.)

The 1945 contract does not provide different rates for different areas. Rates are specified by can sizes in tables made a part of the contract. For No. 2 cans, the rates are: Peas, 20 cents; corn, 8 cents; snap beans, 11 cents; tomatoes, 12 cents for sales before July 4, 1945, and 18 cents thereafter; and tomato juice, 6 cents.

Subsidy rates for eligible pea soup and eligible tomato products including tomato soup, will be determined in the same manner as under the 1944 canned vegetable subsidy program, based on the difference between the 1945 grower support price per ton of raw product and the 1943 Commodity Credit Corporation resale price.

The 1945 vegetable subsidy contract has substantially the same provisions contained in last year's contract. The canner must pay the applicable grower support price and obtain certification by the State Agricultural Conservation Committee. As in last year's contract, certification must be obtained for each vegetable and each plant. The new contract does, however, provide some changes which reflect representations made by the Association concerning provisions that have proved difficult of administration.

Perhaps one of the most interesting changes is a new definition of "eligible sales." As in the former contract, subsidy payments only will be made on "eligible sales." Under prior contracts, however, sales made in violation of OPA, WPB, and other government regulations were not "eligible sales" and no subsidy was paid on them. This subjected a canner to a double penalty, particularly in the case of alleged OPA price violations. Representatives of the Association had discussed these questions with Department of Agriculture officials and had filed memoranda embodying proposed revisions.

Use of the subsidy contract to result in a double penalty for any violation of any WPB or OPA regulation will be avoided this year by the provision that

a subsidy will be paid on any absolute sale for civilian use except (1) sales of quantities required to be set aside for government purchase and (2) sales of the canner's own production which he had previously sold to the Government and then bought back from the Government. If a canner has sold quantities in excess of his set-aside quantities and later obtains a release for this amount, he will be paid a subsidy on these sales after obtaining the release. The fact that such a sale was made will not, however, prevent payment of the subsidy on the remainder of his sales pending the release.

Likewise, if a canner sells at prices in excess of his OPA civilian ceiling price, he will be paid a subsidy on these sales, from which will be deducted the amount of the overcharge. If the canner refunds this overcharge to the purchaser or to the Government, then the full amount of the subsidy will be paid after the refund is determined. The subsidy payment will not be delayed on sales on which there is no coverage.

Another change is a simplified provision concerning deductions from subsidy payments for open market purchases at less than the grower support price. Under this modified clause, the subsidy payments will be reduced by the difference between the price actually paid and the support price.

### Canned Evaporated Milk Sale

The U. S. Department of Agriculture has announced the contemplated sale of 16,815 cases of off-condition evaporated milk of the 1942 pack, suitable for manufacturing purposes only. The milk is packed 48 14½ oz. cans to the case. Bids to purchase may now be submitted to and must be received by M. H. Brightman, Dairy Branch, Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C., not later than 9 a. m., EST, October 8.

### Canned Milk Statistics

August production of evaporated milk (case goods) continued at record levels for the fifth successive month, according to estimates made by the Bureau of Agricultural Economics. Output of 360,750,000 pounds exceeds the production of August, 1944, by 52 million pounds, or 17 per cent, and was 42 per cent higher than the 5-year (1939-43) average for the month, according to the U. S. Bureau of Agricultural Economics. Production during the first 8 months of the year totaled 2,968,901,000

pounds—a gain of 20 per cent from the same period in 1944.

Production of canned condensed milk in August was 13,870,000 pounds—18 per cent more than a year ago, and 81 per cent above the 5-year August average. During the year so far the 103,114,000 pounds produced was 2 per cent more than the output during the same period last year.

Manufacturers' wholesale selling prices of evaporated milk averaged \$4.15 per case of 48 14½-oz. cans—the same price which has prevailed for the past two years. Canned condensed milk brought manufacturers \$6.33 per case of 48 14-oz. cans for the country as a whole—the prevailing price since May 1944.

### Java Sugar Eases U. S. Supply

Secretary of Agriculture Clinton P. Anderson disclosed Tuesday that 1,600,000 tons of sugar have been found in Javanese ports ready for shipment, and predicted that this unexpected supply will considerably ease the domestic sugar shortage in this country, especially for industrial users. He expressed confidence that the Dutch will make most of the sugar available to the world sugar pool and that loading of sugar for shipment to the United States might begin within two weeks. The Secretary stated that the United States might get as much as 700,000 of the 1,600,000 tons.

Because of this unexpected supply of sugar in Java, Secretary Anderson emphasized that it is now possible that all sugar rationing may be removed earlier next year than previously anticipated and that it will be possible for the Department of Agriculture to dip into reserves to ease up on industrial sugar rationing at the present time.

### Neel Heads Canners League

L. E. Neel was elected President of the Canners League of California at the October 2 meeting of the League's Board of Directors. He will serve for the unexpired term of Mr. Fred M. Drew who, acting on the advice of his doctors to relinquish some of his responsibilities, recently resigned as President of the League.

Mr. Neel is General Manager of the Turlock Cooperative Growers, Modesto, Calif., a position he has held ever since he participated in the organization of that cooperative marketing association in 1929. In addition, he served for three years as President of California Processors and Growers, Inc., which handles labor relations for the canners.

## Canned Fruit and Vegetable Supplies May Equal Average

According to a recent release by the Bureau of Foreign and Domestic Commerce, 1945-46 civilian supplies of canned fruit and vegetable products handled by packers, wholesale distributors and chain store warehouses may equal the 5-year pre-war average (1936-37 to 1940-41) of 383 million cases. They are almost certain to be smaller than the peak 1941-42 total of 442 million cases despite changes in production and government requirements yet to occur. Further reduction of government requirements, however, would add to prospective 1945-46 civilian supplies.

Total civilian supplies, shipments and carryover stocks of canned fruits, juices, seasonal vegetables, and non-seasonal vegetables and specialties are shown in the following table:

Period	Civilian supplies Million cases	Civilian shipments Million cases	Civilian carry-over Million cases
5-year av. 1936-37 to 1940-41.....	383	274	109
1941-42.....	442	336	106
1942-43.....	369	312	57
1943-44.....	326	271	55
1944-45.....	323	285	38
1945-46 (est.)....	377	340	37

## ODT Export Permits Not Needed

The Office of Defense Transportation announced October 2 that commercial freight may now be shipped to ports for export without the necessity of obtaining ODT export permits. This action was taken by the issuance of General Permit ODT 16B-3, effective October 1, which frees all commercial freight from the unit permit requirements of General Order ODT 16B. Commercial freight destined for overseas export may now proceed as in peacetime except that each shipment must be covered by a bona fide booking with the ocean carrier unless consigned to pre-arranged port storage, and that rail transportation shipping documents must carry the certification by the shipper: "General Permit ODT 16B-3 applies."

General Order ODT 16B remains in force for freight shipped for export by the Army and Navy, and all government agencies including such organizations as the Red Cross and United Nations Relief and Rehabilitation Administration.

## 1945 Red Pitted Cherry Pack

The 1945 pack of red pitted cherries totaled 1,300,490 actual cases as compared with 3,071,940 in 1944 and 561,778 in 1943, the Association's Division of Statistics reported this week. The fol-

lowing table, which compares the pack by States and can sizes with the two previous years, is reproduced from the N. C. A. Division of Statistics report:

1945 PACK RED PITTED CHERRIES				
States	No. 2 cases	No. 10 cases	Misc. cases	Total cases
N. Y. and Pa.....	48,780	174,407	.....	223,187
Mich., Wis., and Ohio.....	174,656	669,524	.....	844,180
Western <sup>1</sup> ....	42,302	166,748	24,073	233,123
Total....	265,738	1,010,679	24,073	1,300,490
1944 PACK RED PITTED CHERRIES				
N. Y. and Pa.....	116,457	362,123	20,599	499,179
Mich., Wis., and Ohio.....	962,117	1,388,222	.....	2,350,339
Western <sup>1</sup> ....	78,528	143,894	.....	222,422
Total....	1,157,102	1,894,239	20,599	3,071,940
1943 PACK RED PITTED CHERRIES				
N. Y. and Pa.....	16,980	102,877	.....	119,857
Mich., Wis., and Ohio.....	58,879	182,130	.....	241,009
Western <sup>1</sup> ....	44,060	156,373	479	200,912
Total....	119,919	441,380	479	561,778

<sup>1</sup> Includes Colorado, Idaho, Nebraska, Montana, Washington, Oregon and Utah.

## Dry Bean Set-aside Suspended

All set-asides of dry beans for military and other government purchases have been suspended indefinitely by the Department of Agriculture, effective October 1. Dealers will be required, however, to hold for delivery to government agencies and authorized purchasers the quantities set aside through September 30, and to continue to make monthly reports under the provisions of War Food Order 45-1.

The set-aside has been suspended at this time as a part of the Department's policy to lift wartime marketing controls at the earliest possible date. Military and other Government purchases of dry beans after September 30 will be made in the open market.

This year's crop of dry beans has been estimated at 15,370,000 bags of 100 pounds each (uncleaned basis) as compared with 16,128,000 bags produced in 1944. The total supply (including carryover) available for civilians will be about the same as in 1944-45.

## Cuban Grapefruit Ceilings Set

The port of entry ceiling price of \$4.42 established for a standard crate (1-3/5 bushel) of Isle of Pines grapefruit during August and September has been extended to cover sales of this fruit through October 15, 1945, the Office of Price Administration has announced. The ceiling price per pound at port of entry is six cents.

## Army to End Its Pro-Coating Program with Existing Supplies

Protective coating of cans of fruits and vegetables purchased for the armed forces for overseas use is to be discontinued as soon as supplies of pro-coating paints and material now in the hands of canners or on contract to them, can be used, the War Department announced October 3.

The Army's pro-coating program, inaugurated in 1943 for approximately 20 million cases of canned foods and increased in 1944 to 40 million cases, proved so successful in preventing can rust by "pin-holing" in overseas areas of high humidity where day temperatures were high, with a decided drop at night, that some 200 food processing plants had been equipped to pro-coat around 90 million cases of canned fruits and vegetables from their 1945 packs.

Quartermaster Corps officers, who handle the procurement of canned foods for the armed forces, say that inventories of foods in pro-coated cans, plus production already planned, are such that additional quantities for overseas shipment are not needed. Added costs of pro-coating additional quantities therefore are not necessary to assure delivery and storage overseas in good condition. Canners have been notified that no more pro-coated deliveries will be accepted beyond quantities that have been packed or can be produced from pro-coating materials already on hand.

## Report on U. S. Exports

The Bureau of the Census has announced that United States exports during the first five months of 1945 were valued at \$4,875 million as compared with \$6,062 million for the first five months of 1944, a substantial decline reflecting decreased Lend-lease exports.

## Eight Canners Win Awards

Eight additional canning plants have been chosen by the Department of Agriculture to receive "A" and "Star" awards in recognition of their outstanding wartime production records.

"A" Awards have been approved for the following plants: Friend Brothers, Inc., Malden, Mass.; and Lake Odessa Canning Co., Lake Odessa, Mich.

"Star" Awards will go to the following plants: Birds Eye-Snyder, Southern Farms, Pocomoke City, Md.; American Home Foods, Inc., Rochester, N. Y.; Rio Grande Valley Citrus Exchange, Weslaco, Tex.; Harlingen Canning Company, Harlingen, Tex.; Stokely Foods, Inc., Milltown, Wis.; and Stokely Foods, Inc., Plymouth, Wis.



## WALLING REQUESTS CONGRESS TO ELIMINATE CANNER EXEMPTIONS UNDER THE FAIR LABOR STANDARDS ACT

Hearings on the proposed amendments to the Wage and Hour bill before the Senate subcommittee on Education and Labor proceeded at a rather slow pace this past week. Lewis G. Hines, speaking for the American Federation of Labor, strongly urged adoption of the Pepper bill, S. 1349, but recommended vigorously that the provisions of the bill authorizing that minimum wages for job classification above unskilled labor be stricken on the grounds that it would weaken collective bargaining.

On Thursday, October 4, Wage and Hour Administrator Walling testified in detail on various provisions of the proposed bill and their effect upon the present Fair Labor Standards Act. Mr. Walling supported the proposal to increase the minimum wage and to narrow existing exemptions on the grounds that the present is the economically feasible opportunity to accomplish these changes. He contended further that increasing the minimum wage is insurance against a "chaotic drop in purchasing power."

In recommending that the present exemptions including the exemption for agricultural processing under Section 7(c) and Section 13(a)(10) of the Act be modified, Mr. Walling recognized that certain "overtime tolerances" were necessary for seasonal industries processing perishable products. He suggested that these "tolerances" could be handled by exemptions under Section 7(b)(3) for seasonal industries. If this were adopted, however, he suggested that Congress should revise Section 7(b)(3) to indicate what seasonal industries should be entitled to such an overtime exemption and what standards should be used in determining seasonal industries for which the exemption would be granted.

On the subject of specific exemptions for the canning industry, Mr. Walling said:

"The proposal to eliminate not only 13(a)(10) and the area of production part of 7(c), but the remainder of 7(c) as well, raises the basic question of what justification there is for granting total or partial overtime exemptions to the various industries engaged in the handling and processing of agricultural commodities. This question must be answered in terms of the basic objectives of the Act. The two questions to be answered are (1) to what extent do these industries need to work more than 40 hours a week all year or during seasonal operations and (2) will the objectives of the Act be furthered by requiring premium pay for such overtime work.

"For a number of the industries in question, the need for overtime work is apparent. The industries subject to severe pressure of seasonal activity in the moving and processing of a crop fall in this category. In the canning of perishable fresh fruits and vegetables, for example, the entire available labor supply in the areas in which the establishments are located is frequently utilized during seasonal operations. At such times, employees often must work considerably more than 40 hours in order to prevent the spoilage of food. If the purpose of Section 7 is to spread employment through penalizing overtime work, I wonder whether it would be appropriate to apply the penalty under such circumstances. I doubt that the objective of the Act to spread employment would be achieved since it would hardly be feasible for workers to move to other centers for a few weeks of work except in some rare instances where such seasonal work might tie in with other kinds of activities at other times of the year. On the other hand, there is a question of social policy as to whether the worker should be rewarded by extra pay for overtime where emergencies require long hours of work.

"There does not seem to me to be any sound justification, either economic or social, for the all year round exemptions provided for in Section 13(a)(10) and certain portions of 7(c) for industries that operate all year round even though they may handle perishable commodities. Such industries can and should contribute to increased employment by reducing their normal workweek. It is probable, however, that such industries would require some overtime tolerance during the course of the year because of sharp fluctuations in the volume of commodities handled.

"Some industries involved in Sections 13(a)(10) and 7(c) would, under S. 1349, still retain a 14 week overtime exemption up to 12 hours a day and 56 hours a week under Section 7(b)(3) of the Act. Included among these industries are those engaged in packing and canning fresh fruits and vegetables, which constitute by far the largest groups of industries to which the overtime exemption may apply. Other industries eligible for the 7(b)(3) overtime exemption include cotton warehousing, tobacco auction warehouses, country grain elevators, and the processing of sugar beets and cane. It would not seem to me to be equitable to continue this exemption for these industries unless similar provision is made for other industries involved in Section 13(a)(10) or 7(c) which are in equal need of overtime tolerances."

### Opposes Fish Canner Exemptions

Mr. Walling also discussed the proposed narrowing of the fishery exemption granted by Section 13(a)(5) from both the wage and overtime require-

ments of the present Act. It was his position that the fish processing industry is a seasonal industry which should be treated on the same basis as any other seasonal industry, such as canning. He stated on this point:

"There is no reason why establishments which freeze, can, or wholesale fish should be treated any differently in terms of the basic coverage of the Act than those establishments which handle, freeze or process fresh fruits and vegetables. S. 1349 recognizes that the exemption for fishing as such is legitimate. It is impracticable to regulate hours of work for this industry and the regulation of hours would not further the basic objectives of the Act. Since it is not possible to measure hours of work, it is also impossible to establish any hourly minimum wage. Wage payments in this industry are frequently on a share basis, and it does not seem urgent at this time for the Federal Government to establish other methods of wage payments to fishermen. It may be desirable to study the earnings and income of fishermen to see if there is some special provision which might be required to give them such protection as may be found necessary, but at the moment I do not believe we have a basis for suggesting that such legislation is needed.

"The exemption from the minimum wage provisions of the Act for fish processing and wholesaling, on the other hand, cannot be justified on the basis of perishability of products any more than for handling and processing of agricultural commodities. The necessity for minimum wage protection for employees engaged in fish processing is indicated by a survey of selected key occupations in fish and seafood canning plants in 10 designated areas during the 1943 season by the Bureau of Labor Statistics. Average hourly earnings for these occupations in Mobile, Alabama, were 32.4 cents an hour; 35.7 in New Orleans, Louisiana, and 38.2 in Norfolk, Virginia. These earnings may be contrasted with rates of 82.7 cents in Bellingham-Everett, Washington; 63.2 in Portland-Lewiston and Bath, Maine, and 60.8 cents in Salinas, California.

"However, because of the perishability of fish it may be desirable to consider the need for overtime tolerances for seasonal operations along with the suggestions I have made for the processing of agricultural commodities.

"Aside from the provisions for overtime tolerances, at least one additional change should be made in S. 1349. As the bill now stands the exemption would not be applicable to fishermen unloading fishing vessels. This operation is often performed by fishermen, particularly in the case of fish for the fresh fish market. Thus, these employees would lose the exemption during the workweek in which they engaged in unloading operations. Since they are likely to be at sea during the same workweek, it would be impossible satisfactorily to establish hours of work

for the purpose of minimum wage payment and overtime payment.

"A related problem is posed by the fact that cleaning and filleting is sometimes done on board, between runs of fish or on the inward trip. The difficulties discussed above would make segregation of this work and wage and hour regulation impracticable. I suggest therefore that the proposed exemptions be extended to the unloading of vessels by fishermen and the performance by fishermen of offshore duties, incidental to the taking and bringing in of the catch, but not work done on such operations as floating canneries."

#### In Agreement with A. F. L.

Mr. Walling indicated his concurrence in the position of the A. F. of L. representative, Mr. Hines, that it would be undesirable to attempt to fix minimum wages for job classifications higher than unskilled labor. Mr. Walling declared:

"It has always been my belief that wages in the higher brackets should be fixed through collective bargaining and that governmental activity in the minimum wage field should be restricted to establishment of minimum wages required to reach a standard of living at a socially acceptable minimum level. In the light of this belief, this particular provision of the Pepper Bill appears to me to be somewhat questionable. Aside from the basic question of the desirability of this type of wage fixing, I believe the provision, at least as presently written, would be extremely costly and difficult to administer.

"The collection of adequate information on the basis of which to set up job classifications for all industries and the information on rates actually being paid for all occupations would be quite a substantial task. Then too, there is lack of uniformity in occupational designations and even where the job is identically designated in different establishments, the job content may be quite different. Even more difficult would be the task of obtaining adequate information on transportation costs, costs of production, costs of living, which the committees would need under this provision in order to determine whether there should be geographic differentials in the skilled rates. This administrative burden could be minimized if the provision were made voluntary instead of mandatory so that such questions would be gone into only in those industries where the evidence indicates to the committee that there was serious danger of the minimum becoming the maximum."

#### Opposes Truck-driver Exemption

Mr. Walling also would remove the present exemption for truck drivers. He said:

"Section 13(b)(1) of the Fair Labor Standards Act now provides an exemption from the overtime provisions of the

Act for any employee with respect to whom the ICC has power to establish qualifications and maximum hours of service pursuant to the provisions of Section 204 of the Motor Carrier Act of 1935. Under the provisions of this Act the ICC has indicated that it has authority to establish qualifications and maximum hours of service for drivers, drivers' helpers (including conductor-ettes on buses and armed guards in armored trucks), loaders, and mechanics. The Commission has, however, actually established maximum hours of service only for drivers and drivers' helpers. One provision of S. 1349 now proposes to limit the exemption from the overtime provisions for employees who during the greater part of the workweek are engaged in work with respect to which the ICC has established qualifications and maximum hours of service. The effect of this proposal would therefore be to eliminate the exemption for mechanics, loaders and such other occupations as the ICC may from time to time declare within its authority, or to require that the Commission actually establish maximum hours of service for such employees.

"The amendment would therefore serve to eliminate what is now 'no man's land' between the two Acts: employees who are neither subject to the Fair Labor Standards Act nor to the limitation of hours of work by the ICC. It should be regarded therefore as a step in the right direction. I do not believe, however, that it is a basic solution to the problem. At the present time, the exemption under Section 13(b)(1) of the Act is treated as though the provisions of Section 7(a) of the FLSA are inconsistent with ICC control. As a matter of fact, these provisions are complementary rather than conflicting. The purpose of the FLSA is to make 40 hours a normal workweek through imposition of the time and one-half penalty for hours beyond that workweek.

"The purpose of the control of hours of service under the Motor Carrier Act is to place a flat prohibition on excessive hours of work which may affect the safety of the drivers and the public. This is clearly brought out by the fact that the ICC has established a flat limit of 60 hours a week under the provisions of the Motor Carrier Act. Certainly no one can argue that this represents any desirable norm in hours of work. It expressly represents the point beyond which highway safety is endangered. It would seem therefore quite appropriate to cover motor carrier employees under Section 7 of the FLSA and to continue the control of the ICC over excessive hours of work affecting safety of highway transportation.

"In the absence of a basic solution to the problem along the lines suggested, I believe the provisions of S. 1349 should be endorsed as a step in the right direction."

## CONGRESS SUMMARY

Testimony by L. Metcalfe Walling, Wage and Hour Administrator, on the proposed amendments to the Fair Labor Standards Act was the principal activity in Congress this week affecting the canning industry. A full report of Mr. Walling's testimony in regard to the canning industry appears on page 8796. Other legislation of interest to canners is summarized below:

The House Ways and Means Committee on Thursday voted to slash income taxes for individuals and corporations next year by more than five billion dollars. The committee voted to reduce the excess profits tax to 60 percent in 1946 and to terminate it altogether on January 1, 1947. It also seeks to reduce the combined corporation normal and surtax from 40 to 36 percent. The Committee again voted to freeze the Social Security tax on employees and employers at one percent until Congress has an opportunity to review the whole field of social security legislation.

The House Committee on Agriculture on Thursday submitted a favorable report on a bill by Representative Stephen Pace of Georgia which would compel the Department of Agriculture to include labor costs in its formula for determining parity prices.

A bill has been offered by Representative Wright Patman of Texas, chairman of the House Small Business Committee, to discourage chain stores from operating individual stores at a loss in order to overcome independent competition in various areas. The bill, H. R. 4200, would amend the Internal Revenue Act and compel chain stores to file income tax returns on each store separately. This would prevent chain stores from being able to claim a reduction in taxes on its over-all profits due to losses sustained by some units operating at a loss.

Senator Murray of Montana introduced a bill in the Senate on Thursday which would attempt to stabilize construction by the advance planning of public works. The bill would provide machinery for fostering for the first time close cooperation between the construction industry and the Federal, State and local governments, and would give the Secretaries of Commerce, Labor, and Agriculture the responsibility for determining policy for the program.

The Senate, on Thursday, passed H. R. 604 for the repeal of land-grant railroad rates for transportation of government traffic, but added an amend-

ment sponsored by Senator McFarland of Arizona, Senator Wheeler of Montana and seven other Western senators, which would require railroads to submit double reports of billing during the period between the date of enactment and October 1, 1946, when the Act would become effective, showing the difference between the cost of government transportation on commercial rates and land-grant rates effective.

### U. S. to Import 10.8 Million Pounds of Fish from Norway

In connection with plans for the distribution of canned fish supplies from major exporting countries during the fiscal year 1945-46, the U. S. Department of Agriculture on October 2 announced that 10.8 million pounds of canned fish from Norway have been made available for importation into the United States. (During the years 1937-39, an average of more than 10,000,000 pounds of canned fish, packed in airtight containers, was imported annually into the United States from Norway. Of this amount, 8,390,000 pounds were canned sardines and herring.) The total will consist of approximately 100,000 cases of brisling sardines, about 175,000 cases of sild (musse) sardines and about 100,000 cases of kippered herring.

These fish will be distributed only to qualified importers, on the basis of their historical records of importations of the respective types. The years 1935-39 inclusive have been determined as the base period, and an importer may select three consecutive years of that period to represent his individual base period.

The distribution of brisling sardines, because they are packed, will proceed immediately, while the sild sardines and kippered herring will be distributed when packed. Applications for all three types should be filed immediately. No application will be considered after October 20, 1945, USDA said.

All import authorizations issued, under authority of War Food Order 63, to qualified importers for their respective quotas will state the maximum foreign purchase prices which importers will be allowed to pay for the products in Norway.

### New Armour Canned Foods Head

Armour and Company has appointed George W. Munro as manager of its canned foods department succeeding the late Louis L. Bronson, who headed the department for 16 years. Mr. Munro has been with Armour and Company since 1916.

## REVISED USDA ALLOCATION FOR CANNED FISH INCREASES PRESENT FISCAL YEAR CIVILIAN SUPPLY BY 36 PER CENT

A revised allocation of canned fish for the 12 months which began July 1, 1945—providing substantially greater quantities than previously allocated for U. S. civilians and for foreign relief feeding—was announced October 4 by Secretary of Agriculture Clinton P. Anderson. It was emphasized, however, that in view of the deficit world supply of canned fish, the amount available to the United States is still far short of its combined domestic and foreign requirements.

The increased allocation of canned fish for civilian use is due partly to slightly higher over-all production, but chiefly because military requirements have been cut back sharply to one-third of their previous year's taking. The larger allocation of canned fish for civilians made possible the reduction of ration point values on the commodity during October, officials also pointed out.

It is currently estimated that there will be an allocable supply of canned fish of 720 million pounds in the 1945-46 fiscal year, somewhat larger than the August estimate of 655 million pounds. The increase in the anticipated pack, and the fact that the end of the war has opened the way for greater imports accounts for the greater supply. Previously, imports for the year were estimated at 5 million pounds, compared with present estimates of 10 million pounds. Of the total imports, the U. S. expects to receive 5 million pounds of sardines from Spain and Portugal, 4 million pounds of canned shellfish from Canada, and 10 million pounds of sardines from Norway. These will be the first shipments of fish from Norway since the beginning of the war.

Under the revised 1945-46 allocation of canned fish, U. S. civilians will receive 397 million pounds—36 per cent more than the 1944-45 civilian allocation of 292 million pounds, and 65 million pounds more than 1945-46 civilian allocation as established early in August. Approximately 156 million pounds of the U. S. civilian allocation will be canned salmon. Civilians were allocated only 80 million pounds of this product in 1944-45.

However, despite the more favorable supply situation, the amount of canned fish to be available for U. S. civilians will be substantially below the pre-war annual consumption of over 600 million pounds. Demand is believed to be even higher now than the pre-war figure.

Reflecting cut-backs resulting from the end of the war, the 1945-46 U. S. military and war service allocation is 92 million pounds of canned fish, compared with the 272 million pounds allocated for this purpose in 1944-45—a reduction of 66 per cent.

The quantity of canned fish allocated to export claimants during the 1945-46 year totals 222 million pounds, or 40 per cent more than the 158 million pounds allocated for this purpose in 1944-45. Made possible primarily because of the military cutback in canned fish requirements, the foreign shipment allocation includes substantial quantities for relief feeding in Europe by UNRRA and the Army, as well as directly by governments making their own purchases. Also, for the first time since the war began, an allocation, amounting to 24 million pounds, is being made for the Philippines and the Marshall Islands.

Although 9 million pounds of canned fish have been marked for U. S. territories during the 1945-46 year, the allocation provides that shipments of canned fish to Puerto Rico and Hawaii are to be made through commercial channels beginning October 1, 1945, and January 1, 1946, respectively. This is true now of shipments to the Philippines except in the case of canned salmon.

The revised allocation thus is 397 million pounds for domestic use in the United States, 97 million for U. S. military needs, 222 million for export claimants, and 9 million for U. S. territories.

Officials pointed out that by international agreement canned fish from sources other than the United States is likewise available for relief feeding and for paying governments in Europe. Canada, Norway, and South America are supplying sizeable amounts for these outlets. While the United States is currently furnishing about 60 per cent of the canned fish being made available to UNRRA from all sources, officials explained that supply was the major limiting factor is not meeting in full UNRRA's stated requirements. In some other commodities finance is the primary limitation at the moment. It was further explained that the quantity of U. S. fish being made available for liberated areas takes into account allocations of other protein foods such as meat. For example, the fourth-quarter allocation of meat for liberated areas, the United Kingdom and other exports claimants is 617 million pounds, or 9.9 per cent of the total allocable U. S. supply of meat during that period.



## President Terminates WPB

The War Production Board has been terminated effective November 3 by Executive order of the President issued Thursday.

All functions and powers of WPB established by Executive Order No. 9024 of January 16, 1942, are transferred to a newly created Civilian Production Administration, established in the Office for Emergency Management by the new order. Exceptions to this continuation of WPB functions are that the office of chairman and other members of the Board are terminated.

At the head of the CPA will be an administrator, to be appointed by the President and to receive \$12,000 a year, if Congress approves. This administrator inherits the same functions and powers that were vested in the WPB chairman.

The President's order stated that the new CPA powers shall "be utilized to further a swift and orderly transition from wartime production to a maximum peacetime production in industry free from wartime government controls, with due regard for the stability of prices and costs." These functions are summarized as follows:

Expand the production of materials which are in short supply, limit the manufacture of products for which materials or facilities are insufficient, control the accumulation of inventories so as to avoid speculative hoarding and unbalanced distribution which would curtail total production, grant priority assistance to break bottlenecks which would impede the reconversion process, facilitate the fulfillment of relief and other essential export programs, and allocate scarce materials and facilities necessary for the production of low-priced items essential to the continued success of the stabilization program of the Federal Government.

## Loading, Unloading Application

The Board of Directors of the Cannery League of California, at a meeting on October 2, approved the recommendation of its Traffic Committee that the League reverse the position it has taken for many years as opposed to the stoppage and storage in transit privilege.

The Board instructed the Traffic Committee to go on record as favoring one stop to complete loading and one to partially unload, and authorized the Committee to draw up a formal application to the Trans-Continental Freight Bureau to carry out this recommendation. The present storage-in-transit privilege under General ODT Order No. 18 expires May 1, 1946.

## Forthcoming Meetings

October 9-11—Association of Pacific Fisheries, 32nd Annual Convention, Spokane, Wash.

October 15-16—Boston Conference on Distribution, Hotel Statler, Boston, Mass.

October 16-17—Board of Directors, National Pickle Packers Association, with Eastern Seaboard pickle manufacturers, Hotel New Yorker, New York City.

October 17—Special meeting of the pickle and kraut manufacturers of the New York Metropolitan District and the Eastern Seaboard, Hotel New Yorker, N. Y. C.

October 18-19—Michigan Cannery Association, plant sanitation meeting, Michigan State College, East Lansing.

October 18-20—Florida Cannery Association, Fourteenth Annual Meeting, Sheraton-Plaza Hotel, Daytona Beach.

October 30-31—American Meat Institute, 40th Annual Meeting, Hotel Stevens, Chicago.

November 5-6—Michigan Cannery Association, Annual Fall Meeting, Pantlind Hotel, Grand Rapids.

November 7-9—Grocery Manufacturers of America, Annual Meeting, Waldorf-Astoria Hotel, New York.

November 12-13—Wisconsin Cannery Association, Annual Meeting, Schroeder Hotel, Milwaukee.

November 15-16—Indiana Cannery Association, Annual Convention, Claypool Hotel, Indianapolis.

November 16—Ozark Cannery Association, Inc., Fall Meeting, Colonial Hotel, Springfield, Mo.

November 29-30—Pennsylvania Cannery Association, Annual Convention, Yorktowne Hotel, York.

## Alaska Salmon Pack Report

The following table, prepared from statistics compiled by the U. S. Fish and Wildlife Service, shows the pack of Alaska canned salmon by regions and varieties, through September 22, 1945, as compared with a similar period in 1944:

Districts	1945 Cases	1944 Cases
Western Alaska.....	704,553	1,027,036
Central Alaska.....	2,089,380	1,870,991
Southeastern Alaska.....	1,504,528	1,946,488
Total.....	4,298,461	4,844,515
Species		
King.....	37,117	33,741
Red.....	1,167,292	1,567,533
Pink.....	2,212,941	2,040,211
Chum.....	680,093	994,941
Coho.....	201,018	208,080
Total.....	4,298,461	4,844,515

## 1945 Canned Asparagus Pack

According to figures compiled by the Association's Division of Statistics, the 1945 canned asparagus pack totaled 3,920,404 actual cases as compared with 3,832,604 actual cases in 1944. Details of the pack by States and can sizes appear in the table below:

1944 AND 1945 CANNED ASPARAGUS PACKS SHOWN BY ACTUAL CASES OF ALL SIZES				
	1944		1945	
	White cases	All Green cases	White cases	All Green cases
N. J. ....	434,360	.....	432,406	.....
Ill. ....	1,524	272,354	932	361,314
Mich. ....	225,955	15,544	193,755	.....
Wash., and Ore. ....	235,043	.....	248,603	.....
Calif. ....	1,308,214	1,128,171	1,180,127	1,299,825
Other States .....	220,974	.....	187,998	.....
Total.....	1,309,738	2,522,866	1,196,603	2,723,901
1945 ASPARAGUS PACK BY CAN SIZES				
Can Sizes	White cases	All Green cases	Total cases	
24/2.....	823,800	1,843,379	2,667,278	
48/1 P.....	.....	4,346	4,346	
24/2 1/2.....	5,626	152,559	158,185	
24/200.....	94	1,480	1,574	
6/10.....	366,984	708,014	1,074,998	
Misc. Tin and Glass.....	.....	14,123	14,123	
Total.....	1,196,603	2,723,901	3,920,504	

<sup>1</sup> California figures are from Asparagus Advisory Board.

## California Sardine Pack

Deliveries of California sardines to processing plants during the week ended September 29 totaled 30,981 tons. Pack of sardines during the week was 195,601 cases. The following table shows the sardine deliveries by districts and the pack by can sizes for the current season as compared with 1944:

	Season to Sept. 29, 1944-5	Season to Sept. 30, 1943-4
Tonnage:	Tons	Tons
Northern district .....	48,588	49,972
Central district .....	83,636	77,561
Southern district .....	.....	.....
Total .....	134,524	127,533
Pack:	Cases	Cases
1-lb. oval .....	364,000	303,098
1-lb. tall .....	446,868	324,269
1/2-lb. fillet .....	181	3,580
1/2-lb. round, 96's.....	2,166	16,779
5-oz., 100's .....	49,529	31,091
Miscellaneous .....	.....	.....
Total .....	862,744	679,117

## Ceilings on Cucumbers Removed

Fresh cucumbers have been removed from price control, effective October 1, the Office of Price Administration announced this week. The price ceilings were removed, OPA said, because cucumbers are not considered a "cost of living item."

## Ceilings Lifted on Sauerkraut to Encourage a Larger Pack

Ceiling prices on both canned and bulk sauerkraut will be removed within a few days, the Office of Price Administration and the Department of Agriculture announced Wednesday in a joint statement. The exemption, which is in line with a recent directive from the Office of Economic Stabilization dealing with removal and suspension of ceiling prices, was announced in advance so that kraut packers can plan to operate at maximum capacity to use the large 1945 crop of cabbage now being harvested, the agencies said.

Under price regulations packers may not compute ceilings until the cost of the first 75 per cent of their cabbage purchases is known. The packing season normally extends over several months and during this period cabbage is used both from the fields and from storage. This necessity of holding a large portion of the crop before prices could be established would tend to delay delivery of the new pack to wholesalers and retailers, retard movement of the cabbage crop, and congest storage space.

The estimated large 1945 cabbage crop—approximately 70 per cent above that of last year and about 50 per cent greater than the 10-year average—is expected to keep retail prices of the 1945 pack of sauerkraut from rising above present ceilings, the two agencies added.

## Examination for Canned Greens

The Microanalytical Division of the Food and Drug Administration has revised its instructions for examination of canned greens for presence of insects, insect fragments, and other foreign matter. The revised method, dated September, 1945, has been reproduced by the Association and copies may be obtained on request from the N. C. A. Washington Research Laboratory.

## Industrial Users Get More Fats

A five per cent increase in the use of fats and oils by all industrial users except manufacturers of pharmaceuticals, made possible by an additional allocation of approximately 22 million pounds by the Department of Agriculture, was announced by the Office of Price Administration October 2.

The additional allocation permits all industrial users, except makers of pharmaceuticals, to increase their rate of use five per cent. Because the permitted increase will use up industrial users' allotments of ration points more

quickly, an adjustment will be made later during the fourth quarter to compensate for this increased rate of use, OPA said.

The factors established for the fourth quarter, for mayonnaise and salad dressing manufacturers, provide for 60 per cent of their 1942 usage.

## Glass Container Production Is Nearly 50 Per Cent over 1940

Production of glass containers increased from an annual output of 53,391,000 gross in 1940 to an estimated output of 104,000,000 gross in 1945, the War Production Board reported October 3.

During the entire war period there was virtually no construction of new glass plants, WPB pointed out. While a portion of the increased production resulted from maximum utilization of facilities and increased efficiency of the available equipment, the greatest contribution to the increase could be directly attributed to the glass container standardization program adopted by the industry, WPB said. It is estimated that this standardization effected under WPB Order L-103 (glass container and closure simplification) resulted in at least a 20 per cent increase in the number of bottles and jars produced.

Production of glass containers since 1938 follows:

Years	Gross
1938.....	44,099,000
1939.....	50,031,000
1940.....	53,391,000
1941.....	70,780,000
1942.....	80,667,000
1943.....	96,655,000
1944.....	98,190,000
1945 (est.).....	104,000,000
(8 months actual 1945).....	67,400,000

## Miss Black to Be on Radio

Marshall Adams of Washington's radio station WOL has invited Marjorie H. Black of the Association's Home Economics Division to be her guest in an interview-type program, Friday, October 12. Miss Adams will interview Miss Black for 10 minutes during the half-hour program from 9 to 9:30 a. m. Theme of the interview is "Making the Most of Yourself through Diet."

## Shipping Container Rating Killed

Authority to assign a preference rating of AA-2 for the procurement of wooden and fiber shipping containers for use in packing foods for export under Lend-lease, assigned by the War Production Board to the War Food Administration, has been revoked, WPB has announced.

## Amortization Period Shortened

President Truman has proclaimed September 20, 1945, as the end of the emergency period for accelerated amortization of emergency facilities. Canneries who constructed facilities under necessity certificates may elect to use September 20, 1945, as the end of their amortization period or file non-necessity certificate applications for an earlier date. Election of this shortened period requires careful compliance with various technical procedures. Details will appear in next week's LETTER.

## BULLETIN

As the Information Letter went to press, the U. S. Department of Agriculture was expected to remove the set-aside requirements on all canned fruits and vegetables, with the exception of canned tomatoes which are reported to have been reduced to a total set-aside of 16 percent.

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